

23 January 1947

MEMORANDUM FOR THE DIRECTOR:

Subject: Proposed Bill for National Defense Act of 1947

1. The following recommendations are made for changes and additions to the First Rough Draft of the proposed bill for merger of the Armed Forces:

a. The title of the draft bill should be amended to read as follows:

"To promote the national defense by providing for three functionally balanced military departments unified under a Secretary of National Defense, to establish a Central Intelligence Agency, and for further integration, under a Council of National Defense, with all other departments and agencies of the Government concerned with the national defense."

This will serve to include the establishment of a Central Intelligence Agency as one of the purposes of the bill (page 1).

b. The Declaration of Policy (section 2, page 1) should be amended to include reference to the need of centralizing intelligence, and the intent of Congress to provide for such centralization as set forth in Section 1(a) of the proposed CIG Enabling Act. This should include detailed reference to the major programs relating to intelligence as outlined in Section 1(b) of the proposed CIG Enabling Act.

c. A section of "Definitions" should be included in an appropriate place in the draft so that such terms as "foreign intelligence", "foreign intelligence information", and similar phrases which have a particular meaning with reference to intelligence are not misconstrued. This is in accordance with Section 2 of the proposed CIG Enabling Act.

d. After Section 101(b) (page 2) there should be added a section substantially as follows:

"The Director of Central Intelligence shall serve as the Advisor to the Council on all matters pertaining to national intelligence. In this capacity he shall attend all meetings of the Council but shall take no part in the decisions thereof."

e. Section 102(a) (page 4) does not specifically create a Central Intelligence Agency, nor does it spell out chain of command and the authority which shall exercise policy guidance and control. In addition, the personnel provisions are felt to be inadequate in that they do not provide for direct employment by the agency of personnel of its own

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choosing. It is felt that Section 3(b) of the proposed CIG Enabling Act is generally preferable as establishing more clearly the nature of the agency. However, this section would have to be amended to make clear that the Director of Central Intelligence would report to the Council of National Defense but would receive policy guidance and control from a committee of the Council consisting of the Secretary of State, the Secretary of National Defense, and the President's Personal Representative, if any.

f. Section 102(b) (page 5) should be eliminated in its entirety. This section defines the duties of the agency in terms which are extremely loose and lacking in detail. In its place should be put the provisions of Section 4(a) of the proposed CIG Enabling Act. The latter sections delineate the functions of the agency in far greater detail with less chance of misinterpretation or evasion. In addition, Section 4(a) gives the agency the right to supervise its personnel, its budgetary requirements and disbursements of funds, and specifically provides for administrative and logistical support for the foreign activities of the agency. Also Section 4(a) was written to set forth the functions of CIG in accordance with the offices into which CIG has been broken down. The draft submitted by the White House does not include any specific provision for the collection of foreign intelligence information.

g. The first sentence of Section 102(c) (page 7) permits other agencies to continue general intelligence activities. This should be amended to limit them strictly to departmental intelligence as provided by Section 4(b) of the proposed CIG Enabling Act. The remainder of Section 102(c), which provides that the agency shall have no police power, etc., should be qualified to the extent of permitting it to control its own security in accordance with Sections 4(a), (8), (9), (10) and 4(e) of the proposed CIG Enabling Act.

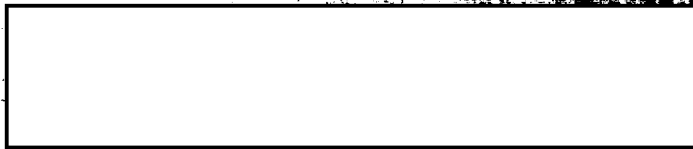
h. Sections 102(d) and (e) (page 7) deal with the relationship of the Central Intelligence Agency with other intelligence agencies of the Government, and the use of their facilities. It is felt that the language of Sections 4(c) and (d) of the proposed CIG Enabling Act is preferable in that it provides for the full availability of both information and facilities on a continuing basis whereas the proposed draft from the White House is somewhat weaker.

i. The Director of Central Intelligence should be eliminated from the provisions of Section 404 (page 28) of the proposed draft inasmuch as these provisions tend to limit his powers of appointment of personnel to exempted positions and on unvouchered, and particularly his power to discharge employees for security reasons.

j. The draft act proposed by the White House nowhere provides for the authorities which are essential to the operations of the Central Intelligence Agency. These include special procurement authorities,

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authorization for transfers between appropriations, certain special personnel practices, the right to exchange funds, and certain other minor but necessary powers. The proposed bill does not provide for appropriations for the Central Intelligence Agency nor for the special expenditures which should be authorized in those appropriations, particularly expenditures of a confidential nature to be accounted for on the certification of the Director, and expenditures otherwise made without regard to provisions of law and regulations relating to Government funds. The above special powers and authorizations should be added to the proposed bill as Sections 407 and 408 in the general form proposed by the CIG Enabling Act, Sections 6 and 7.



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1 Incl. Cy CIG Enabling Act